



## Utah State Tax Commission

**Tax Credit For Employers Who Hire Persons With Disabilities**TC-40HD  
Rev. 12/96

The Utah Legislature has authorized a nonrefundable tax credit for use against individual income tax or corporate franchise or income tax for employers who hire persons with disabilities who work for the employer for at least six months in a taxable year.

Employers claiming this credit must complete this form and attach it to their Utah individual income or corporate franchise or income tax returns.

**PART A**

Name of employer claiming credit	Employer's identification number	
Address of employer claiming credit	Telephone number	
City	State	ZIP Code

**PART B - Certification (To be completed by the Division of Services for People with Disabilities)**

I certify that the individuals listed below (1) have been receiving services from a day training program for persons with disabilities, that is certified by the Department of Human Services as a qualifying program, for at least six consecutive months in the taxable year prior to working for the employer claiming the tax credit, or (2) were eligible for services from the Division of Services for People with Disabilities at the time the individuals began working for the employer.

Authorized signature	Title	Date signed
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**PART C - Summary Worksheet For Disabled Employees Credit Worksheet Instructions on back**

Column A Name of employees who are disabled	Number of months worked in the taxable year	Column B Social security number of disabled employee	Column C First six months of gross wages paid to disabled employee for taxable year (see instructions)	Column D Remainder of gross wages paid to disabled employee for taxable year (see instructions)	Column E 10% of Column C	Column F 20% of Column D	Column G Add columns E and F Limited to \$3,000 per disabled employee

**Total Credit Allowed** \$

Line 1 Amount of credit applied to the tax year the credit was earned  
(must not exceed the amount of tax due on your return)

1	\$	
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Credit amounts in excess of the current year tax liability may be carried forward 2 years after the first year.

**Carryforward Amounts****Applied to tax year:**

Line 2 Amount of tax credit carried forward - first year .....

2	\$	
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Line 3 Amount of tax credit carried forward - second year .....

3	\$	
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## General Procedures and Instructions

An employer may take a nonrefundable credit against individual income or corporate franchise or income tax based on amounts paid to persons with disabilities who work for the employer.

The credit applies only to the wages paid by an employer to individuals with disabilities. The credit authorized by law shall be in an amount equal to 10 percent of the gross wages earned in the first six months of the taxable year by the disabled employee; and 20 percent of the gross wages earned in the remainder of the taxable year by the disabled employee from the employer seeking the tax credit.

For example, if a disabled employee begins working with an employer March 1, and the employer is a calendar year filer, the employer shall calculate its credit using the following steps: (1) multiply the wages earned by the employee from March 1 through August 31 by 10 percent; (2) multiply the wages earned by the employee from September 1 through December 31 by 20 percent; and (3) add those two amounts.

For purposes of this credit, individuals with disabilities are defined as individuals who : (1) have been receiving services from a day training program for persons with disabilities, which is certified by the Department of Human Services as a qualifying program, for at least six consecutive months prior to working for the employer who is claiming the tax credit; or (2) were eligible for services from the Division of Services for People with Disabilities at the time the individual began working for the employer claiming the tax credit.

An employer qualifies for this credit only if the individual with a disability: (1) works in this state for at least six months in a taxable year for the employer; and (2) is paid at least minimum wage by the employer. The credit is limited to \$3,000 per person during the taxable year. The credit is allowed only for the first two years the individual with a disability is employed by the employer.

Credit amounts greater than Utah tax liability in the tax year in which credit is earned may be carried forward to each of the following two tax years. If you carryforward this tax credit, you must attach a copy of this completed form, with the new carryforward amount, to your tax return. Carryforward credits shall be applied against the tax liability of any year before the application of any credits earned in the tax year on a first-earned first-used basis.

PART B of this form, must be completed and signed by an authorized representative of the Division of Services for People With Disabilities.

### PART C - Worksheet Instructions

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| Column A: | List the individuals you employ that meet the definition of an individual with a disability and the number of months they worked for you in the taxable year. |
| Column B: | Provide the social security number of the individuals listed in column A.   |
| Column C: | First six months of gross wages paid to disabled employee for taxable year.   |
| Column D: | Remainder of gross wages paid to disabled employee for taxable year.  |
| Column E: | Enter 10 percent of the amount listed in Column C.  |
| Column F: | Enter 20 percent of the amount listed in Column D.  |
| Column G: | Add columns E and F. If the amount of credit for the disabled employee is greater than \$3,000, enter only \$3,000.   |
| Total:    | Add the amounts in Column G and enter the results in the Total Credit Allowed box.  |